

Strategic Asset Management Plan [Summary]

2019-2024

Property & Economy Strategic Property Services

SUMMARY VERSION – Final V2

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FOREWORD

Enfield is committed to delivering quality asset management for all its properties and I therefore welcome the creation of this Strategic Asset Management Plan (SAMP) for the Council.

The SAMP will directly support 'delivering for everyone in Enfield', through:

- Supporting the provision of 'Good homes in well-connected Neighbourhoods', by leveraging the impact of development and regeneration schemes via our own land-holdings
- Sustaining 'strong and healthy communities' through the optimisation of the Council's operational property assets
- 'Building our local economy to create a thriving place' by maximising opportunities in our commercial estate to drive income and employment.

The Council continues to face major change resulting from the unprecedented financial pressures on local government. Our buildings, and the way we use them, need to be at the heart of the Council's transformation. As Cabinet Member for Finance & Procurement, my portfolio includes Strategic Property Services and I am pleased that the focus on asset management continues to be high on the Council's agenda.

The SAMP sets out how we are optimising the use of land and property assets to support the delivery of front-line services and corporate objectives. We need to drive down our exposure to cost and increase our ability to create and maintain long-term income streams. We also need to ensure fair and transparent use of buildings, so that resources are better aligned to agreed service priorities. This may involve difficult decisions, as indeed will the wider transformation of the way the Council operates.

To achieve these aims and objectives, the Council recognises that the effective and efficient utilisation of its capital and property resources is key. This document demonstrates our efforts to meet the challenge of providing properties that will directly contribute to the delivery of good quality services to the community and other stakeholders in the Borough as well as support substantial and sustainable income streams that will support service delivery long-term. Good quality strategic asset management is therefore a basic and integral component of the drive for improvement and efficiency.

Many of our buildings are expensive to run, inflexible and either underused or overstretched. Reshaping the portfolio presents the chance to get this right and managing our estate on a commercially-informed basis means we have the potential to run our assets at a surplus, and this surplus will allow us to reinvest to raise standards and support service delivery; the realisation of a 'community dividend' from our property assets portfolio.

The challenges are pressing and demanding, but I believe that this SAMP will assist the Council in pursuing its aims for continuous improvement. We are embarking on an exciting chapter in the transformation of the Council's property portfolio that will benefit service users, staff and the residents of the borough for many years to come.



Councillor Mary Maguire
Cabinet Member for Finance & Procurement.



Sarah Cary, Executive Director, Place



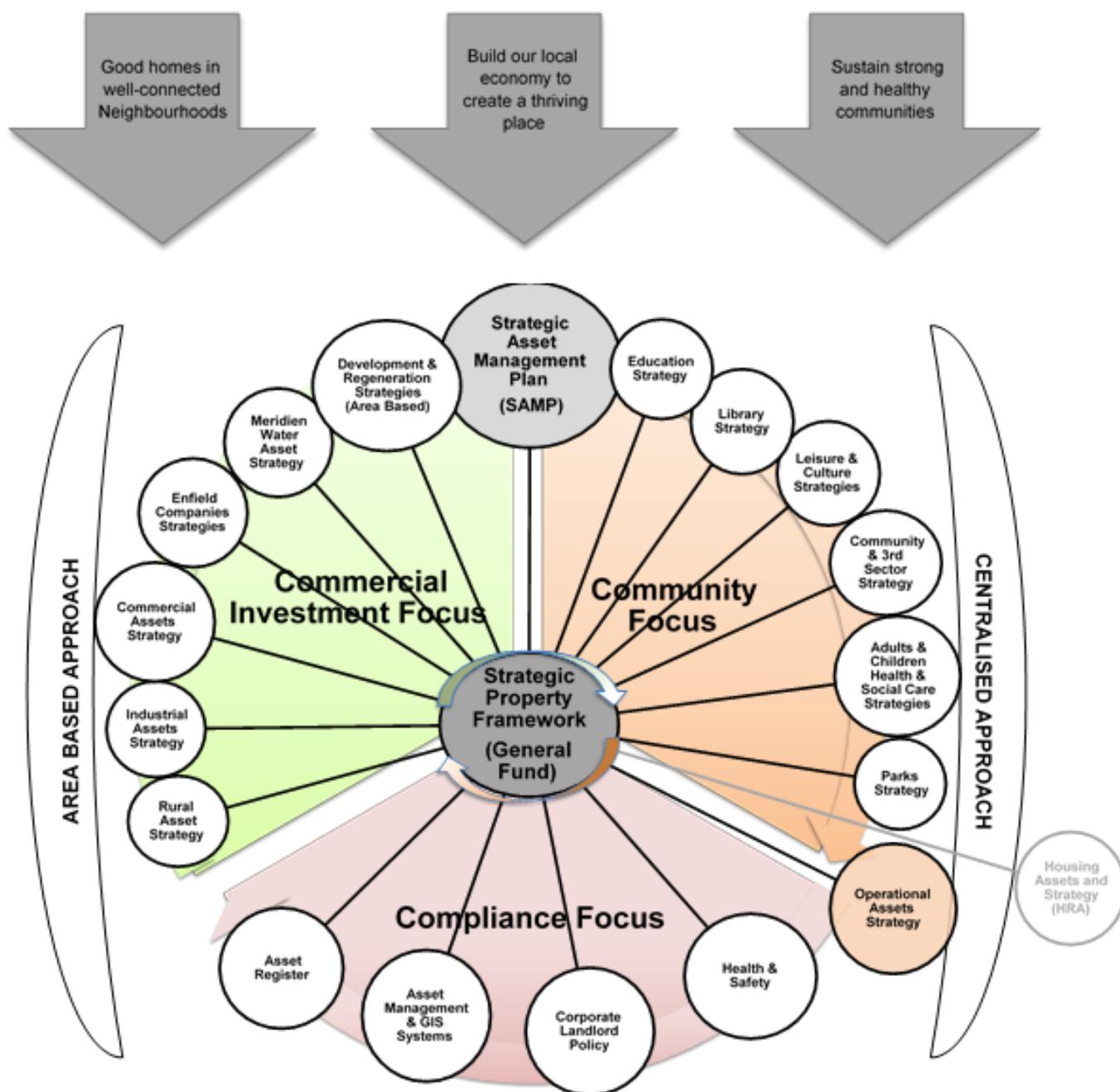
Mark Bradbury, Director Property & Economy, Place

We are delighted to have overseen the creation of Enfield's new Strategic Asset Management Plan, which aligns with our vision for Enfield's new Place directorate. This Plan will set the framework for the Council to deliver best practice in property asset management, following industry recommendations and guidance.

We look forward to putting the Plan into practice, providing a quality professional property service, which delivers an optimised property estate that will support the delivery of Council Services and drive better outcomes for the Council and Enfield residents.

Enfield is in a strong position, with c.£1billion of value in the Council's non-housing property portfolio of c.1100 property assets. This Plan sets out a strategic route map to increase income, optimise assets, achieve compliance and gain comprehensive systems for communicating our property information. The next 5 years covered by the Plan will be challenging, but we are excited to realise all the ambitions set out in it.

Strategic Property Framework



A property asset in the Commercial Focus category can have socio economic values just as a property asset within the Operational category can have commercial benefits.

The Strategic Asset Management Plan (SAMP) is the master document within the Strategic Property Framework, as outlined in the above diagram. The SAMP is directly influenced and created to deliver on the Council's Corporate Objectives as set out in [Enfield's Corporate Plan 2018-2022 - Creating a lifetime of opportunities in Enfield](#) :

THE PEOPLE AND THE PLACE - Delivering for everyone in Enfield over the next four years:

- Good homes in well-connected Neighbourhoods
- Sustain strong and healthy communities
- Build our local economy to create a thriving place

The Strategic Property Framework diagram above illustrates how a suite of strategies, policies, systems and information all feed into a holistic approach to the Council's General Fund Property Assets, focussed on the 3 core areas of **Compliance, Community and Commercial Investment**

The SAMP is a core document, written to cover the 5-year period between 2019/20 and 2023/24. It includes a high-level action plan for 1, 3 and 5+ years. It is expected that the SAMP will be reviewed and updated in 2023/24 to cover the following 5-year period in more detail.

The various strategies illustrated in the Strategic Property Framework Diagram above do not necessarily represent existing written documents, although where these do already exist, they are referenced in SECTION 1.4 of the full version of the SAMP. The diagram demonstrates the recognition for the current need for strategies and/or approaches to be created in all the areas mentioned, if they are not already in place. The framework diagram is meant to be viewed as flexible and constantly evolving as the needs of the Council and the business of its property assets evolve over time. The Framework and all it encompasses will be regularly reviewed on an annual basis in an Annual Business Report.

The full version of the SAMP includes performance targets (KPIs), linked to the Action Plan and these will be reported on annually in the Annual Business Report to the Council's Executive Management Team.

The SAMP together with the Capital Programme and Medium Term Financial Plan, support the delivery of the Council's corporate vision, aims and priorities. They also provide the basis against which the Council's property related decisions are to be made. The SAMP will help plan and manage property utilisation in support of Council initiatives and service delivery. It is based on a recognised framework for this type of document derived from CIPFA (Property).

The SAMP describes the Council's approach to management of its property assets. It is intended to provide the framework for decision-making across the Council's property estate, and shape delivery. The value of the c. 1,200 property assets included within this SAMP is c £1.01 billion (£934m general fund plus £79m HRA non-residential) and represents a means to drive investment and resources despite the significant pressures on public finances. The HRA residential housing stock has a further value of £670 million for the residential dwelling and social housing bringing the total property asset value to c. £1.68 billion¹.

By geographical area the Council own approximately 5800 acres which equals approximately 30% of the borough, excluding HRA residential housing stock

Core Principles:

The Core Principles are designed to make sure that the property asset strategy is reflected in the decisions of all parts of the organisation. It sets down the 'rules of behaviour' for the organisation, as far as property decision-making is concerned, to ensure that the strategy can be implemented.

Core Principles	
1.	Deliver best consideration for the Council's assets in accordance with s.123 Local Government Act 1972.
2.	Increase income from the Council's property assets (long term revenue streams preferred to one-off capital receipts)
3.	Reduce expenditure on the Council's property assets

¹ Asset Valuation in accordance with IFRS and CIPFA code of accounting practice and the RICS Valuation – The Global Standard 2017 (The Red Book)

4.	Optimise assets to meet the Council's corporate objectives: <ul style="list-style-type: none"> • Good homes in well-connected neighbourhoods. • Build our local economy to create a thriving place. • Sustain strong and healthy communities
5.	Consolidation of operational estate into a small number of strategic hubs. Quality not quantity.
6.	Provide quality modern operational buildings for staff and customers that will help the Council to deliver outstanding service to customers and attract and retain talented professional staff. Operational buildings should be efficient, attractive environments that are future-proofed, flexible and support agile working.
7.	Move towards eliminating all leased-in buildings and only occupy owned buildings for operational purposes.
8.	Release surplus operational estate for long-term revenue income and/or development
9.	Achieve 100% compliance (physical buildings and H&S)
10.	Consolidated and transparent single property budget , held by Property & Economy (ALL property income and expenditure is centralised – Services have any property cost codes/budgets removed and centralised)
11.	Account for full market rent for ALL buildings, including operational ones and take a % cut out of rental income to cover all property costs – maintenance, management, development, feasibility work etc. (including Strategic Property Services (SPS), Corporate Maintenance & Construction Team (CMCT) and Facilities Management Team (FM) resources)
12.	Support provision of a properly resourced, professional in-house property team that is an exemplar for other local authorities
13.	Hold a live Asset Register held in Asset Management and GIS Data Systems that are accurate, comprehensive, modernised, accessible, and transparent.
14.	Hold live Asset information that can be easily and simply reported/communicated and properly used to strategically optimise asset management as well as respond to enquiries from Members and the public
15.	No conflicts of interest to be created between Enfield Council and Council owned companies (Housing Gateway Ltd (HGL), Enfield Innovations Ltd (EIL), Independence and Wellbeing Enfield Ltd (IWEL) and Energetik).

With the recent introduction of the Council's new Corporate Landlord Policy, a core priority for the Council is to significantly strengthen the management of corporate assets and use this to ensure they are safe, compliant, and improve the quality and value for money of the service they can deliver. Section 2 of the full version of the SAMP describes the foundations of this change including more robust data and process, increased capacity and stronger governance and decision-making.

The final section of the full version of the SAMP describes, the approach to performance and risk management.

Asset Management

The Council's Operational Assets are the physical frame within which Service Delivery takes place. The Council's Commercial Investment Assets provide the Council with essential long-term income streams to support Service Delivery. Together, they have a £1.01 billion value and represent a means to drive investment and resources despite the increasing pressures on public finances.

Strengthening the management of all the Council's property assets is an important priority for the Council, providing greater assurance that they are safe and comply with statutory requirements as well as creating opportunities to improve the quality and value for money of the service they can deliver. The foundations of this change include more robust data and process, increased capacity and stronger governance and decision-making.

The Council continues to face unprecedented change to meet the short and medium-term pressures on public finances. The Council's assets have a fundamental role to play in achieving these challenges. This will require a new, more focussed and strategic approach across the Council's portfolio of assets, with a commercial outlook based on more robust evidence and better and more transparent decision-making.

Asset management is a systematic process of **acquiring, developing, operating, maintaining, upgrading and disposing of assets** in the most cost-effective manner. The broad objective of asset management is **to maximise property usage, value and investment returns**. This means **reducing expenditure** when possible, finding the most **consistent and highest sources of revenue**, and **mitigating liability and risk**, among other things.

- Supporting the delivery of **strategic goals and objectives through the use of property assets**
- Setting a **vision** of where you want to be, and mapping out the journey to that place
- Identifying **where value can be added** and **where investment is needed** to achieve objectives



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Key Milestones

The following sets out **key actions/milestones** for delivering the requirements within the SAMP. Individual and more detailed action plans will be produced where necessary for any significant project that materialises from the SAMP and subsequent strategies.

Implementation of this Action Plan will be overseen by Strategic Property Services and the Property Board.

Strategic Property Services will produce an Annual Business Report for the next 5 years for EMT and in consultation with the Cabinet Member for Finance & Procurement as part of their regular Cabinet Member briefings. The annual business report will include detailed reporting on performance against the 5-year Action Plan.

The Strategic Asset Management Plan will be reviewed and republished in 2024/25

✓ In Progress
✓ Complete

Action	Status
YEAR 1 - 2019/2020	
Continue to manage the Commercial Investment estate	✓
Design and implement new staff resource structure	✓
Creation of the New Asset Register including Categorisation of Assets in line with IFRS 16	✓
Phases 1 - 5 implementation of the Corporate Landlord Policy	✓
Develop Strategic Asset Management Plan (SAMP)	✓
Consolidation of Budgets	✓
Creation of Governance Structures	✓
Develop vacant sites strategy	✓
Scope and procure new Asset Management System (AMS) - Phase 1	✓
CIPFA Benchmarking	
Develop Commercial Investment Portfolio strategies (Rural Portfolio and Meridian Water Assets) - Phase 1	
Delivery of immediate Operational Assets projects (Phase 1) - John Wilkes House & Enfield Highway Carnegie Building	✓
Scope and procure new Geographical Information Systems (GIS) - Phase 1	
Development Projects - Phase 1	✓
YEAR 2 - 2020/2021	
Phases 6 & 7 implementation of Corporate Landlord Policy	
Procure and implement required professional service contracts	
Scope and procure new Geographical Information Systems (GIS) - Phase 2	
Develop Commercial Investment Portfolio strategies (Industrial & Retail Portfolio - Phase 2)	
Develop an Operational Assets Strategy - Phase 1	
Implement New Asset Management System and related management processes - Phase 2	
Review and Implement Market Rent as appropriate	
Development Projects - Phase 2	
YEAR 3 and 4 - 2021/2022 & 2022/2023	
Implement new GIS system (including public access) - Phase 3	
One Public Estate Programme	
Start to implement Operational Assets Strategy - Phase 2	
Development Projects - Phase 3	
YEAR 5 – 2023/2024 and beyond	
Ongoing Delivery of the Regeneration Scheme at Montagu Estate via Joint Venture	
Ongoing implementation of the Operational Assets Strategy - Phase 3	
Development Projects - Phase 4	